

Item 1 – Cover Page

Part 2A of Form ADV: Firm Brochure

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July 11, 2017

This Form ADV Part 2A Brochure (“Brochure”) provides information about the qualifications and business practices of HG Vora Capital Management, LLC (“we”, “us” or “HG Vora”). If you have any questions about the contents of this Brochure, please contact us at (212) 707-4300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about HG Vora is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by using a unique identifying number known as a CRD Number. HG Vora’s CRD number is 161788.

HG Vora is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser does not imply any level of skill or training.

## **Item 2 – Material Changes**

HG Vora is required to identify and discuss any material changes made to this Brochure since its last annual update submitted on March 28, 2017. There have been no material changes since last filing.

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## **Item 4 – Advisory Business**

### *Description*

HG Vora commenced operations in April 2009. We were established to provide investment management services primarily to pooled investment vehicles. Our principal owner is Parag Vora.

### *Types of Advisory Services*

We are an investment management firm focused on event driven and value oriented strategies. We invest primarily in actively traded debt and equity instruments on a long and short basis. We currently provide discretionary investment advisory services to three pooled investment vehicles, particularly a Cayman Islands exempted company (the “Master Fund”) with an actively managed portfolio, and two feeder funds, one of which is a Delaware partnership (the “Onshore Feeder”), and the other a Cayman Islands exempted company (the “Offshore Feeder”, and collectively with the Onshore Feeder, the “Feeder Funds”, and collectively with the Master Fund, the “Fund” or “Funds”). The Offshore Feeder invests all of its investable assets, and the Onshore Feeder invests substantially all of its assets, in the Master Fund. All investment portfolios are managed in accordance with each respective private fund client’s confidential private offering memorandum and/or confidential explanatory memorandum and memorandum and articles of associated or limited partnership agreement, as applicable (“Offering Documents”).

HG Vora does not tailor advisory services to the individual or particular needs of the investors in the Feeder Funds. Information about the Feeder Funds, including their investment objectives and strategies, are set forth in their respective Offering Documents. We have broad investment authority with respect to the Funds and since we do not provide individualized advice to the Feeder Funds’ investors, such investors should consider whether the investment objectives of the Funds are in line with their individual objectives and risk tolerance prior to investment.

We also provide investment advisory services to separately managed accounts. These advisory services are tailored based on each individual client’s needs pursuant to a written investment management agreement, which may contain restrictions on our ability to invest in certain securities or types of securities.

### *Wrap Fee Programs*

We do not participate in any wrap fee program.

### *Assets Under Discretionary and Non-Discretionary Management*

As of April 1, 2017, we have assets under discretionary management of approximately \$3,627,095,332 and assets under non-discretionary management of approximately \$324,196,028.

## **Item 5 – Fees and Compensation**

### *Description*

We generally charge our private fund clients both an asset-based management fee and a performance-based incentive allocation for our investment management services. Management fees are generally calculated and paid quarterly, in advance, and are generally equal to 0.375% (1.5% annually) of the value of each investor’s gross capital account. Our (or an affiliates’) annual incentive allocation is generally

equal to 20% of the total net profit within each investor's account after deducting associated fees and expenses. We do not assess other types of fees as part of our compensation arrangements with our private fund clients.

Fees charged to our separately managed account clients may vary, and payment terms would be detailed in an investment management agreement entered into by and between us and each client.

### *Fee Billing*

We (or an affiliate) generally deduct fees from investors' assets in the Funds as accrued on a monthly basis. Investors do not have the ability to choose to be billed directly for fees incurred.

Please refer to the relevant Fund's governing documents (including the relevant Fund's private offering memorandum) for a complete understanding of how fees are calculated and deducted. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents.

### *Other Fees and Expenses*

We are responsible for and pay or cause to be paid the following overhead expenses: office rent and supplies; utilities; furniture and fixtures; secretarial/internal administrative services; salaries and bonuses; entertainment expenses; employee insurance; payroll taxes; expenses relating to the initiation and maintenance of its status as a registered investment adviser; and third party marketing expenses.

All other expenses are paid by the Funds and include: (i) the management fee; (ii) any expenses related to the analysis, purchase, monitoring, sale, settlement, custody or transmittal of the Funds' assets, directly or indirectly through the Master Fund or any trading affiliates (including, but not limited to, research and market data fees and expenses, such as Bloomberg and other similar subscriptions, data and research services, research-related travel, commissions and fees to joint venture partners), whether or not such investment is consummated; (iii) interest and fees on margin accounts, derivative products or other indebtedness, borrowing charges on securities sold short, custodial fees and bank services fees; (iv) Fund legal, regulatory and compliance expenses (including, without limitation, any expenses in connection with litigation, investigations or other proceedings instituted against the Funds, whether pending or threatened, or settlements thereof; expenses relating to tax and securities regulations applicable to, and governmental, regulatory, self-regulatory, licensing, filing or registration fees and expenses of, the Funds (or any trading subsidiary thereof) for their investments; and any costs or expenses incurred in connection with the offering, sale, or ownership of interests); (v) expenses associated with activist investment activities (including public relations, tender offer and proxy solicitation expenses); (vi) administrator fees and expenses; (vii) shareholder proxy voting services, (viii) Fund audit and accounting expenses (including third party accounting services); (ix) consulting and other professional expenses (including those of valuation firms); (x) organizational expenses; (xi) expenses related to systems and software used in connection with the operation of the Funds and investment-related activities (including, but not limited to, fund accounting, portfolio management, order management, execution management, risk management processes, and any implementation services or license fees, related thereto); (xii) taxes relating to the Funds' activities, including but not limited to, entity-level taxes, any withholding taxes, any imputed underpayment resulting from Funds' investment activities (including any interest, penalties or other additions thereto), any fees and expenses incurred in connection with any tax audit by any U.S. federal, state or local authority, including, any related administrative settlement and judicial review, third-party audit and tax preparation expenses; (xiii) Fund-related insurance costs (including D&O insurance costs); (xiv) any Feeder Fund's pro-rata share of the Master Fund's expenses; (xv) and such other ordinary expenses associated with the operations of the Partnership and its investment activities.

In general, any expenses related to a particular Special Investment (as defined in the Fund's Offering Documents), will be charged solely to those investors participating in such Special Investment.

Please refer to the relevant Fund's Offering Documents (including the relevant Fund's private offering memorandum) for a complete understanding of each Fund's fees and expenses. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents. For more information regarding our brokerage arrangements, see Item 12 – Brokerage Practices.

#### *Timing of Fee Payments*

As described above, management fees are generally paid quarterly in advance and accrued on a monthly basis. Accounts initiated or terminated during the relevant periods will be charged a pro-rated management fee. Our (or an affiliates') incentive allocation is generally charged as of each year end, although partial or full incentive allocations can be crystallized for an investor before year end due to such investor's partial or full redemption from the Funds.

#### *Participation or Interest in Client Transactions*

Neither we nor any of our supervised persons accepts compensation for the sale of securities or other investment products to our clients.

### **Item 6 – Performance-Based Fees and Side-by-Side Management**

As described above under Item 5 – Fees and Compensation, we receive both asset-based management fees and performance-based incentive allocations from our private fund clients. This arrangement may create a theoretical or actual incentive for us to recommend investments that are riskier or more speculative than would be the case in the absence of such incentive allocation. Investors in the Feeder Funds are provided with disclosures contained in their respective Offering Documents relating to the incentive allocation payable to us and the risks associated with their investment in the Feeder Funds.

We do not currently have any side-by-side management arrangements.

### **Item 7 – Types of Clients**

We provide advisory services to pooled investment vehicles which generally operate as exempt investment companies under the Investment Company Act of 1940, as amended. The minimum investment in the Funds is typically \$3,000,000, although we (our affiliates) maintain discretion to waive, increase or reduce the minimum investment required.

We also provide advisory services to individual investors or institutional clients through separately managed accounts. We may impose minimum account requirements on separately managed accounts. Any such minimum would be described in the written investment management agreement entered into by and between us and the client. In the event that minimum requirements are imposed, we would expect that such requirements would be based on, among other factors, the investment strategy used and the time and resources allocated to the client.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

### *Methods of Analysis*

We base our investment decisions on fundamental and comprehensive research and analysis. We use a variety of resources and services to refine our investment ideas, which may include, among others, fundamental credit analysis, detailed analysis of financial statements and development of financial projections, meetings with company management, company and analyst conference calls, industry research, analysis of documents (including credit agreements, bond indentures, intercreditor agreements, and court filings) and the use of outside legal counsel to determine the validity and ranking of various claims where necessary. We also closely monitor potential events such as restructurings, changes in capital structure, regulatory changes, industry trends and transitions, and merger and consolidation transactions.

### *Investment Strategies*

Our investment objective is to generate attractive risk adjusted absolute returns while limiting overall portfolio volatility and preserving capital in times of adverse market conditions. We seek to achieve this objective by opportunistically investing in actively traded equity and debt instruments on a long and short basis. We make use of our investment team, industry expertise and experience in complex situations to identify event-driven and value-oriented opportunities. We have extensive experience investing in certain sectors, including but not limited to gaming, lodging, leisure, real estate, retail and consumer, specialty finance, travel and other related sectors. We typically invests in businesses that may be characterized by an over leveraged balance sheet, operational challenges or may be undergoing a restructuring or some other form of strategic change. Our primary focus is on North American securities, but may include Europe, Asia and other non-U.S. markets.

### *Risk of Loss*

Listed below is a summary of the material risks involved in connection with our methods of analysis investment strategies. The discussion of material risks provided below is not meant to be a complete description of risks that may be applicable to us. For a more detailed discussion of the material risks, please refer to the relevant Fund's Offering Documents. The information contained herein is a summary only and is qualified in its entirety by the relevant Fund's governing documents.

*Nature of Investments.* We have broad discretion in making investments for our private fund clients. Investments consist of actively traded debt and equity instruments on a long and short basis, the value of which may be affected by, among other things, business, financial market or legal uncertainties. We can provide no assurance that we will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments. Prices of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of our clients' activities and the value of their investments.

*Bank Debt and other Loans and Participations.* Our investment strategy generally requires accurate and detailed credit analysis of issuers. However, there can be no assurance that our analysis will be accurate or complete. In the event that our analysis is inaccurate, clients may be subject to substantial losses in the event of credit deterioration or bankruptcy of one or more securities issuers in their portfolios.

Other risks associated with these obligations include (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws, (ii) so called "lender liability" claims by the issuers of the obligations, (iii) environmental liabilities that may arise with respect to collateral securing the obligations, (iv) collateral impairment, (v) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality and (vi) limitations on the ability of our clients or us to directly enforce the associated rights with respect to participations.

We generally trade in the secondary markets for loans. Such loans may be privately negotiated transactions, each of which has individualized or varying terms. These positions may be illiquid and difficult to value. In the case of such trading, we may come into possession of material, nonpublic information relating to the borrower, preventing our clients from trading in any securities of such issuer. In addition, loans may be subject to price volatility due to various factors including, but not limited to, changes in interest rates, market perception of the creditworthiness of the borrower and general market liquidity. Fluctuations or prolonged changes in the volatility of such instruments can adversely affect the value of investments held by our clients.

*Debt Securities.* We generally recommend that our clients take positions in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. Our clients may take positions in debt securities which are not protected by financial covenants or limitations on additional indebtedness or which moral obligations of issuers or subject to appropriations. Our clients will therefore be subject to credit and liquidity risks.

*High Yield Securities.* From time to time we recommend that our clients invest in "high yield" bonds and preferred securities, which are rated in the lower rating categories by the various credit rating agencies (or in comparable non-rated securities). Securities in the lower rating categories are subject to greater risk of loss of principal and interest than higher-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower-rated securities, the yields and prices of such securities may tend to fluctuate more than those for higher-rated securities. The market for lower-rated securities is thinner and less active than that for higher-rated securities, which can adversely affect the prices at which these securities can be sold. In addition, adverse publicity and investor perceptions about lower-rated securities, whether or not based on fundamental analysis, may be a contributing factor in a decrease in the value and liquidity of such lower-rated securities.

*Distressed Securities.* We may invest in "distressed" securities, claims and obligations of domestic and foreign entities which are experiencing significant financial or business difficulties. These investments may include loans, commercial paper, loan participations, trade claims held by trade or other creditors, stocks, partnership interests and similar financial instruments, executory contracts and options or participations therein not publicly traded. Distressed securities may result in significant returns to our clients, but also involve a substantial degree of risk. Our clients who purchase distressed securities may lose a substantial portion or all of their investment in a distressed environment, or may be required to accept cash or securities with a value significantly less than their investment. Among the risks inherent in investments in entities experiencing significant financial or business difficulties is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments also may be adversely affected by state and federal laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. The market prices of such instruments



are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such instruments may be greater than normally expected.

In trading distressed securities, litigation may be required. Such litigation can be time-consuming and expensive, and can frequently lead to unpredicted delays or losses. Also, the market for distressed securities and instruments is generally thinner and less active than other markets, which can adversely affect the prices at which distressed securities can be sold.

*Credit Derivatives.* We generally buy or sell credit derivatives, examples of which include credit default swap agreements and credit-linked notes. Credit derivatives are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. The market for credit derivatives may be illiquid and there are considerable risks that it may be difficult to either buy or sell the instruments as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay. There are also risks with respect to credit derivatives in determining whether an event will trigger payment under the derivative and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

The value of a credit derivative instrument depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to trading derivatives related to such asset. However, there are a number of other risks associated with derivatives trading. For example, because many derivatives provide significantly more market exposure than the money paid or deposited when the transaction is entered into, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a client to the possibility of a loss exceeding the original amount invested. There can be no assurance that derivatives we wish to acquire will be available at any particular times, at satisfactory terms or at all.

*Event Driven Strategy Risk.* The success of strategies employing event driven analysis depends on the successful prediction of whether various corporate events will occur. Our clients may invest in securities of issuers in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or problems or issuers that are involved in bankruptcy or reorganization proceedings. There exists the risk that a transaction undertaken will be unsuccessful, delayed or may result in a distribution of cash or a new security, the value of which may be less than the purchase price paid by our clients for the security in respect of which such distribution was made. Investments of this type involve substantial financial business risks that can result in significant or total losses. In addition, the market prices of such securities are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked price of such securities may be greater than normally expected.

*Special Situations.* We may recommend to our clients that they invest in companies involved in, or are the target of acquisition attempts or tender offers, or in companies involved in or undergoing work-outs, liquidations, spin-offs, reorganizations, bankruptcies or other catalytic changes or similar transactions. In any investment opportunity involving any such type of special situation, there exists the risk that the contemplated transaction either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which may be less than the purchase price paid by our clients for the security or other financial instrument in respect of which such distribution is received. Similarly, if an anticipated transaction does not in fact occur, our clients may be required to sell their investment at a loss. Due to the substantial uncertainty concerning the outcome of transactions involving

financially troubled companies in which our clients may invest, there is a potential risk of loss by our clients of their entire investment in such companies.

*Small to Medium Capitalization Companies.* We may invest, or recommend that our clients invest, a portion of their assets in the stocks of companies with small-to medium-sized market capitalizations within our clients' parameters. While we believe these investments often provide significant potential for appreciation, those stocks, particularly smaller-capitalization stocks, involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

*Options.* We may use options in our investment strategy. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty credit and solvency risk.

*Short Sales.* We generally recommend to our discretionary clients that they establish short positions in indices, exchange-traded funds, common stocks and other securities. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on our clients' portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can also be no assurance that securities necessary to cover a short position will be available for purchase.

*Use of Leverage.* We generally employ leverage in our strategies. This results in our clients controlling substantially more assets than they have in equity. The use of leverage exposes our clients to additional levels of risk, including (i) greater losses from investments than would otherwise have been the case had our clients not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds our clients' of borrowing such funds. In the event of a sudden, precipitous drop in value of our clients' assets, our clients might not be able to liquidate assets quickly enough to repay their borrowings, further magnifying its losses.

*Illiquidity.* Many of the markets and instruments traded by our clients may experience significant changes to liquidity and potential illiquidity at any given time during an economic cycle.

*Reliance on Parag Vora.* We are heavily dependent on the activities, judgment and availability of Parag Vora. We have contingency plans in the event of Mr. Vora's short term absence, but we may be unable to perform our contractual obligations to clients in the event of his death or permanent disability.

## **Item 9 – Disciplinary Information**

Neither HG Vora nor any of its supervised persons have been the subject of any legal or disciplinary event that would be material to your evaluation of HG Vora or the integrity of its management.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### *Broker-Dealer Registration*

Neither HG Vora nor our management persons are registered or have an application pending to register as a broker-dealer or registered representative of a broker-dealer.

Neither HG Vora nor our management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### *Related Person Arrangements*

HG Vora (GP) LLC, a Delaware limited liability company serves as the general partner of one of the Feeder Funds and in that capacity receives a performance based incentive allocation from such fund.

Except as noted above, neither HG Vora nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.

### *Arrangements with Other Investment Advisers*

HG Vora does not recommend or select other investment advisers for our clients.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

We have adopted a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Investment Advisers Act of 1940 (the “Advisers Act”). The purpose of the Code is to set forth certain key guidelines that have been adopted by us and to specify the responsibility of our personnel to act in accordance with their fiduciary duty to our clients and to comply with applicable federal and state laws and regulations. The Code requires that all employees conduct themselves in accordance with the highest ethical standards, which should be premised on the concepts of integrity, honesty and trust. A copy of the Code is available to clients or prospective clients upon request.

The following is a summary of certain provisions of the Code.

### *Fiduciary Duty and Conflicts of Interest*

Both we and our employees have a fiduciary duty to our clients to act for the benefit of our clients and to take action on the clients' behalf before taking action in the interest of any employees or the firm. Both we and our employees must act for the clients' benefit and treat the clients fairly. The manner in which any employee discharges its fiduciary duty and addresses a conflict of interest depends on the circumstances. The Code requires all employees to consult with Christopher McLean (the “Chief Compliance Officer”) to determine the appropriate resolution to any perceived conflict of interest.

### *Personal Trading*

We have adopted a policy with respect to buying and selling securities by our employees. The policy includes any securities account in which the employee (or their spouse or children living in the same household): (a) exercises investment discretion; (b) is listed on the account; or (c) is a current beneficiary. Personal securities trades must be pre-cleared with the Chief Compliance Officer with certain limited exceptions. All our employees must either (a) direct their brokers to send duplicate copies of trade confirmations and periodic account statements to the Chief Compliance Officer or (b) use our IT-based compliance solution (MyComplianceOffice) that can be used to monitor compliance with the foregoing policies.

### *Privacy Policy*

We have a fiduciary duty to our clients not to divulge or misuse information obtained in connection with our services as an adviser. Therefore, all information, whether of a personal or business nature, that an employee obtains about a client's affairs in the course of employment should be treated as confidential and used only to provide services to or otherwise to the benefit of the client. Such information may sometimes include information about non clients, and that information should likewise be held in confidence. Even the fact that we advise a particular client should ordinarily be treated as confidential. The Code sets forth steps that employees should take to help preserve confidential information.

### *Prohibition on Disclosure of Material, Nonpublic Information*

In addition to the policies contained in our Code, we have also established policies and procedures intended to detect and prohibit the disclosure of material non-public information. Pursuant to these policies and procedures, certain "access persons" (which includes all of our employees) are explicitly forbidden from disclosing material, nonpublic information to another person. Employees may not purchase or sell any securities with respect to which they have material, nonpublic information for their own or for a client's account or cause clients to trade on such information until after such information becomes public. Whenever employees come into possession of what they believe may be material, nonpublic information about an issuer, they must immediately notify the Chief Compliance Officer. The Chief Compliance Officer maintains a list of all issuers about which we have material, nonpublic information and circulates such list to our staff so as to prevent any trading in securities of such issuers.

### *Investment in Securities*

With limited exceptions, absent prior approval from the Chief Compliance Officer, neither we nor our related persons are permitted to purchase or trade, for our personal accounts, securities that a client owns or is in the process of buying or selling, or that we are considering buying or selling for a client.

## **Item 12 – Brokerage Practices**

### *Selecting Brokerage Firms*

We have discretion to determine the broker(s) or dealer(s) to be used to execute securities transactions for the Funds. In doing so, will seek to obtain the best execution possible for the client. While a primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price under the circumstances, numerous additional factors relevant to execution capabilities may be considered when arranging for the purchase and sale of positions, including the importance to the account of speed, efficiency or confidentiality, the broker dealer's apparent familiarity with sources from or to

whom particular securities might be purchased or sold, quotation services and any other matters we deem relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

### *Research and Other Soft Dollar Benefits*

From time to time, we may select broker-dealers that furnish us with brokerage and research services to provide appropriate assistance in the investment decision-making process. We may pay for such brokerage and research services with “soft dollars”. The term soft dollars refers generally to the practice by investment advisers of paying for research and brokerage services using brokerage commissions generated by the execution of trades for their clients. The types of brokerage and research services that we plan to utilize include: research reports on companies, industries and securities; economic, market and financial data; and access to broker-dealer analysts and corporate executives. The soft dollar benefits we receive generally do not have a mixed use and are not utilized for functions unrelated to making investment decisions.

When we use client commissions to obtain brokerage and research services, we receive a benefit because we do not have to produce or pay for the brokerage and research services itself. As a result, we may have an incentive to select or recommend a broker-dealer based on an interest in receiving brokerage and research services, rather than solely on clients’ interest in receiving the most favorable execution. However, when selecting broker-dealers that provide brokerage and research services, we are obligated to determine in good faith that the commissions are reasonable in relation to the value of the brokerage and research services provided. Reasonableness is viewed in terms of the particular transactions and our overall responsibilities to clients, even though that broker-dealer itself, or another broker-dealer might be willing to execute the transactions at a lower commission. Accordingly, we may cause the clients to pay commissions higher than those charged by other broker-dealers.

We intend to use soft dollars to obtain investment research and brokerage services in accordance with Section 28(e) of the Securities Exchange Act of 1934, which provides a “safe harbor” to investment managers who use commission dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to the manager in the performance of investment decision-making responsibilities. We may use brokerage and research services in connection with advisory services for any client, not necessarily for only the account that “paid” for them.

At least annually, we consider the amount and nature of research and research services provided by broker-dealers. Broker-dealers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocation, but can exceed the suggested level, because transactions are allocated on the basis of all of the considerations described above. In no case will HG Vora make binding commitments as to the level of brokerage commissions it will allocate to a broker-dealer, nor will it commit to pay cash if any informal targets are not met.

The soft dollar disclosures in this section are a concise description of the procedures that we follow in determining how to direct client transactions to a particular broker-dealer in return for soft dollar benefits received.

### *Brokerage for Client Referrals*

We do not consider the prospect of receiving or the receipt of client referrals when selecting or recommending broker-dealers for client securities transactions.

### *Directed Brokerage*

We generally do not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer. However, our agreements with separately managed account clients may permit them to direct us to execute transactions through a specified broker-dealer.

### *Aggregation of Client Accounts*

If we believe that the purchase or sale of a security is in the best interest of more than one client, we may, but are not obligated to, aggregate the securities to be sold or purchased. In such event, the transactions, will be allocated by HG Vora consistent with its fiduciary duty to ensure that all clients are treated fairly. Generally, an aggregation made among discretionary clients will be made on a pro rata basis based on each client's relative net asset value. However, in particular with respect to our non-discretionary clients, aggregations may not be made on a pro rata basis due to differing investment objectives and criteria. In order to ensure fair treatment among our clients, the Chief Compliance Officer may obtain written approval from each non-discretionary client at the time of making any allocation involving their account.

### **Item 13 – Review of Accounts**

Our portfolio manager reviews our clients' accounts on an ongoing basis. In addition to internal staff, we have an independent fund administrator (the "Administrator") who is responsible for back office procedures and reporting for our clients. All trades are reconciled daily by our employees using our internal systems as well as the Administrator and Goldman Sachs & Co. LLC, Morgan Stanley & Co. LLC, and Merrill Lynch Professional Clearing Corp. (the "Prime Brokers and Custodians"). The financial statements of the Funds are audited annually by KPMG LLP or KPMG (as applicable based upon the jurisdiction of the Fund), an independent public accountant.

#### *Periodic Reviews*

Month-end reports are completed by each the Funds' Administrator and are typically delivered to us within 7-8 business days after the end of the month. Our internal staff reviews and reconciles these month-end reports.

#### *Review Triggers*

On a daily basis, our internal staff reviews and reconciles all discrepancies between our internal records, and reports from third parties (e.g. reports from the Administrator, Prime Brokers and Custodians or other counterparties).

#### *Regular Reports*

We do not provide regular reports to our private fund clients, but the Administrator of each Fund sends each investor in the Funds an unaudited, written monthly statement detailing the increase or decrease in the net asset value of such investor's account during the preceding month. We may supplement this information with written investor letters and summaries of the Funds' performance, as well as such other information that we deem appropriate. In addition, as soon as practicable after the end of each fiscal year and no later than 120 days after the end of the fiscal year, each Fund furnishes to each investor its audited annual financial statements as of the end of that fiscal year.

The contents and frequency of reports provided to our separately managed account clients may vary and would typically be detailed in the investment management agreement entered into by and between us and the client.

#### **Item 14 – Client Referrals and Other Compensation**

Our prime brokers may, pursuant to their internal practices and procedures, provide capital introductions to us with respect to the Feeder Funds. An increase in the size of the Feeder Funds may result in additional compensation to our prime brokers. We do not guarantee continued business arrangements with our prime brokers by virtue of capital introduction services provided to us, and the prospect of receiving capital introductions from a prime broker is not, and will not be, a primary consideration in determining whether to engage or retain their services.

Other than as described above, we do not receive any economic benefit from any person who is not a client in connection with the provision of investment advice or advisory services to our clients.

We have entered into, and in the future may enter into, contractual agreements with individuals and/or organizations (“Agents”) that solicit investors for the Funds. While the specific terms of each arrangement may differ, generally, an Agent’s compensation is based upon the value of assets referred by the Agent and managed by us. The Agent’s compensation does not increase the referred client’s fees beyond that which we would otherwise charge the referred client for its investment management services. The cost of these referral fees is paid entirely by us and is not borne by the referred client.

#### **Item 15 – Custody**

All funds and securities of our clients are held by a qualified custodian. All of our Funds are audited annually by an independent public accountant that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board. In addition, audited financial statements are prepared for the Funds in accordance with generally accepted accounting principles in the United States and are sent to all of the Funds’ investors within one hundred twenty (120) days of the end of the Fund’s fiscal year. Investors in the Funds are encouraged to review these audited financial statements.

#### **Item 16 – Investment Discretion**

Pursuant to the Funds’ Offering Documents, and in accordance with the Investment Management Agreements entered into by us with such Funds, we are granted complete investment authority with respect to the types and amounts of all securities bought and sold by the Funds.

Whether we are granted investment authority with respect to the types and amounts of securities sold or purchased by or on behalf of our separately managed account clients will depend on the terms of their respective Investment Management Agreement.

#### **Item 17 – Voting Client Securities**

##### *Proxy Votes*

Our investment management agreements with our private fund clients grant us authority to cast all proxy votes on their behalf. Neither our private fund clients nor their investors have the ability to direct how we vote proxies.

Authority to cast proxy votes on behalf of our separately managed account clients would typically be dictated by the terms of their respective Investment Management Agreement.

We have adopted a proxy voting policy, as required by the Advisers Act. The policy provides that we will act in the best interests of our clients in determining whether and how to vote on any proxy voting matter. The proxy voting policy includes guidelines for the Chief Compliance Officer to follow if a material conflict arises between us and/or our employees and our clients to ensure any material conflict is resolved in the best interest of our clients.

Clients may obtain a copy of our proxy voting policy and information on how we voted by contacting our Chief Compliance Officer at (212) 707-4300.

#### **Item 18 – Financial Information**

We do not currently have any financial commitments that might impair our current or future ability to meet our contractual commitment to our clients and we have not been the subject of a bankruptcy petition at any time during the last ten (10) years.

#### **BROCHURE DISCLOSURE**

This Brochure does not constitute an offer to sell or the solicitation of an offer to purchase interests in any of HG Vora's private fund clients and the disclosure contained herein shall not be relied on to determine whether an investor should purchase interests in any of our private fund clients. Any such offer or solicitation will be made solely to qualified investors by means of a private placement memorandum and related subscription materials. To the extent that there is any conflict between the disclosure contained in this Brochure and the Offering Documents provided to investors, the Offering Documents shall govern.